



Community Investment Corporation

Chicago's Leading Multifamily Rehab Lender

www.cicchicago.com

May 17, 2013

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Mail Stop 9W-11
400 7th Street SW
Washington, DC 20219
Docket ID OCC-2013-0003
Regs.comments@occ.treas.gov

Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. OP-1456
Regs.comments@federalreserve.gov

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
comments@fdic.gov

Dear Sirs/Madams,

Community Investment Corporation (CIC) is a non-profit CDFI, whose mission is to be the leading force in neighborhood revitalization in metropolitan Chicago through innovative financial programs. In pursuit of this mission, CIC has become the area's leading lender for the acquisition and rehabilitation of affordable rental housing. Since 1984, CIC has provided \$1.1 billion for 1,917 loans, to rehab and preserve almost 50,000 units of affordable rental housing for 125,000 people. CIC's primary market niche is the privately owned rental housing (generally, 5 to 100 units) that constitutes the vast majority of affordable rental housing in Chicago and across the country. Within a context of increasing need, an aging housing stock, and very little new production, preservation of existing affordable rental housing is extremely important. Unfortunately, in the current troubled economy, there is very little credit available for this purpose.

With investments from 39 private lenders, however, many of whom are significantly motivated by the Community Reinvestment Act, CIC has access to more than \$415 million to continue to fill this important niche. Today, CIC stands virtually alone as a provider of credit to address the preservation of affordable rental housing in metropolitan Chicago.

CIC strongly supports the Community Development (CD) focus in the proposed revisions to the "Interagency Questions and Answers Regarding Community Reinvestment." This focus will increase the flow of private capital to underserved areas and will help restore the important role of CD activities in the overall Community Reinvestment Act (CRA) framework.

- The Agencies' reaffirmation of favorable CRA consideration for bank investments in regional multi-investor funds will help incentivize private capital to meet pressing



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community development needs. For regional funds that rely on a number of different depository institutions to invest in CD activities, the revisions offer greater assurance that banks will receive full CRA credit for their investments in such funds.

- It is important that the CRA continues to foster innovative responses to community development needs. We appreciate your recognition that CD lending and investing by pooled funds (which both meet community development needs and diversify banks' risks) takes time to develop and implement.
- The efficient deployment of CD lending and investing requires flexibility, and the Agencies explicitly recognize that "at some point the institution's assessment area[s] may receive some benefit." The revisions will help us meet the urgent needs in distressed neighborhoods in our communities, while at the same time making sure we chart a sustainable path forward beyond the current economic conditions.
- "Earmarking" projects financed with pooled funds and "side letters" create disincentives for banks to participate in multi-investor funds, and undermine the objectives of pooling funds from multiple institutions. A pro-rata system in which banks receive CRA credit equal to the share of their investments has worked successfully for years.
- We urge you to finalize the revisions as soon as possible. Given current economic conditions, we respectfully request that you do not delay issuing the final community development Q&As until the full set of revised Q&As is completed.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "John G. Markowski".

John G. Markowski
President